

Frequently Asked Questions Series 27 (Effective on 1 April 2014)

Selection of Headline Categories and Titles for Announcements

Status of “Frequently Asked Questions”

The following frequently asked questions (“FAQs”) are designed to provide guidance on selection of headlines and title for announcements and help issuers understand the new headline categories introduced on 1 April 2014.

You should refer to the Listing Rules and, if necessary, seek advice from qualified professional advisers. The FAQs are not a substitute for the Listing Rules. If there is any discrepancy between these FAQs and the Listing Rules, the Listing Rules prevail. Defined terms used in this document have the same meaning as that given to them in the Listing Rules, unless stated otherwise.

In formulating our “*responses*”, we may have assumed certain underlying facts, selectively summarised the Listing Rules or concentrated on one particular aspect of the question. They are not definitive and do not apply to all cases where the scenario may at first appear similar. In any given case, regard must be given to all the relevant facts and circumstances.

The Listing Department may be consulted on a confidential basis. Please contact the Listing Department at the earliest opportunity with any queries.

No.	Main Board Rules	GEM Rules	Query	Response
Selection of headline categories				
1.	2.07C(3), Appendix 24	16.18(2), Appendix 17	How should an issuer select headline categories when submitting an announcement for publication on the HKExnews website?	<p>Rule 2.07C(3) requires an issuer to select all appropriate headlines from the list of headlines set out in Appendix 24 of the Listing Rules. As a general principle, an issuer should select all headlines that are applicable to the content of the announcement. If an announcement relates to more than one subject matter or is issued to satisfy different Rule requirements, all headlines relating to the subject matters and the Rule requirements must be selected. An issuer should not select the headline(s) under “Other” unless all other headlines in Appendix 24 are not applicable to its announcement.</p> <p>Issuers may also refer to the following Exchange’s guidance materials for the selection of headline categories:</p> <ul style="list-style-type: none"> • Guide on pre-vetting requirements and selection of headline categories for announcements available at http://www.hkex.com.hk/listing/suppmat/guide_pre_vetting_req.htm which sets out the generally applicable headline categories for various types of announcements issued under specific Listing Rules. • The Exchange’s letter to issuers of 25 July 2007 available at http://www.hkex.com.hk/eng/rulesreg/listrules/listletter/documents/20070725.pdf which sets out the examples of common errors made by issuers in selecting headlines for certain types of announcements and circulars.

No.	Main Board Rules	GEM Rules	Query	Response
2.	2.07C(3), Appendix 24	16.18(2), Appendix 17	<p>New headline categories “Other - Business Update”, “Other - Trading Update”, “Other - Corporate Governance Related Matters”, “Other - Litigation”, and “Other – Miscellaneous” were introduced in April 2014.</p> <p>Please explain which types of announcements may fall under these headlines.</p>	<p>The new headlines are introduced to give investors more information about the nature of the announcements falling under the headline category “Other”. Issuers should select these new “Other” headline categories only if there are no other applicable headlines.</p> <p>The following types of announcements may fall under the new headline categories:</p> <p>(i) Other - Business Update</p> <ul style="list-style-type: none"> - Updates on business activities of the issuer group, for example, the signing of a business contract, a letter of intent to acquire/dispose of assets or a business cooperation agreement, public tender for acquisition/disposal, status update on a project, etc. <p>(ii) Other - Trading Update</p> <ul style="list-style-type: none"> - Periodic updates of sales and other key performance indicators, for example, sales turnover, key performance indicators such as same store sales, new orders booked, monthly premium income for insurance companies, interim management accounts, etc. <p>(iii) Other - Corporate Governance Related Matters</p> <ul style="list-style-type: none"> - Report on internal control review, updates of corporate governance matters, for example, change in corporate personnel, etc. <p>(iv) Other - Litigation</p> <ul style="list-style-type: none"> - Status update on litigation, arbitration or other legal proceedings.

No.	Main Board Rules	GEM Rules	Query	Response
				(v) Other - Miscellaneous - Issuers should only choose this headline if no other headlines is applicable.
3.	2.07C(3), Appendix 24	16.18(2), Appendix 17	Can investors search for announcements published before 1 April 2014 using the new headlines “Other - Business Update”, “Other - Trading Update”, “Other - Corporate Governance Related Matters” and “Other - Litigation”?	No. These new headlines only apply to announcements published by issuers after 1 April 2014. Investors can use the headline “Other (before 1 April 2014)” to search for similar types of announcements published before 1 April 2014.
4.	2.07C(3), Appendix 24	16.18(2), Appendix 17	Why did the Exchange introduce six new headline categories for overseas regulatory announcements? Please give examples for the use of these new headline categories.	Overseas regulatory announcements contain regulatory information released by an issuer or its subsidiary to other stock exchanges. Since overseas regulatory announcements may be published in one language only (either Chinese or English), the new headlines (in both languages) provide readers with information about the nature of the announcement. If an overseas regulatory announcement is to be published in one language only, the issuer should only select these new headline(s) under “Overseas Regulatory Announcement”. The following are examples of announcements that may be published under these new headline categories. (i) Overseas Regulatory Announcement – Corporate Governance Related Matters - Social responsibility report, internal control report and independent directors’ review report, etc.

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				<p>(ii) Overseas Regulatory Announcement – Business Update</p> <ul style="list-style-type: none"> - Signing of sales contracts or cooperation agreements, periodic update on group reorganization, financial or capital arrangements with subsidiaries, and surplus cash management report, etc. <p>(iii) Overseas Regulatory Announcement – Trading Update</p> <ul style="list-style-type: none"> - Financial results summary or reports of the issuer or its subsidiaries, Forms 10-K/10-Q filed with the U.S. Securities and Exchange Commission, interim management statements, and periodic updates on sales performance, etc. <p>(iv) Overseas Regulatory Announcement – Board/Supervisory Board Resolutions</p> <ul style="list-style-type: none"> - Resolutions approved by the board of directors or the board of supervisors. <p>(v) Overseas Regulatory Announcement – Issue of Securities and Related Matters</p> <ul style="list-style-type: none"> - Listing documents/notices/allotment results for listing of bonds or foreign listed shares (e.g. A shares of PRC issuers), overseas debt issuance program updates, periodic announcements on interest payments and credit ratings, and conversion/repurchase/cancellation of overseas listed bonds, etc.

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				<p>(vi) Overseas Regulatory Announcement – Other</p> <ul style="list-style-type: none"> - Issuers should only choose this headline for an overseas regulatory announcement if none of the above headlines is applicable.
5.	2.07C(3), Appendix 24	16.18(2), Appendix 17	<p>Listco A is dually listed in Hong Kong and on a PRC stock exchange. It proposes to release its quarterly results in the PRC market in order to comply with the PRC listing rules.</p> <p>At the time of releasing its quarterly results in the PRC market, Listco A will publish the following two announcements on the HKExnews website:</p> <ul style="list-style-type: none"> (i) an overseas regulatory announcement (in Chinese only) which contains the quarterly results released in the PRC; and (ii) a separate announcement (in both English and Chinese languages) about inside information which contains key financial figures extracted from the overseas regulatory announcement in (i). <p>Which headline(s) should Listco A select for these two announcements?</p>	<p>Listco A should select the headline “Overseas Regulatory Announcement – Trading Update” for the announcement (i). For the other announcement (ii), Listco A should select the headline “Quarterly Results” and also the headline “Inside Information”.</p>

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6.	2.07C(3), Appendix 24	16.18(2), Appendix 17	<p>Listco B is dually listed in Hong Kong and the UK. It proposes to release an interim management statement containing financial updates in the UK market.</p> <p>Listco B considers that the interim management statement constitutes inside information. Therefore it will publish the statement in both English and Chinese languages on the HKExnews website.</p> <p>Which headline(s) should Listco B select for this announcement?</p>	Listco B should select the headlines “Inside Information” and “Overseas Regulatory Announcement - Trading Update” for its interim management statement.
Title of announcement				
7.	2.07C(3)	16.18(2)	How should an issuer decide on the title of its announcement?	The title of an announcement should give readers a quick understanding of the relevance and importance of the information disclosed in the announcement. Therefore the announcement title should be precise and meaningful. Issuers should avoid using titles that are too generic and do not describe the content of the announcement. Examples of these generic titles include “announcement”, “voluntary announcement” and “other announcement”.